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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DEANNA McBREARTY and MARYLYNN HARTSEL,
individually, derivatively and on behalf of all others
similarly situated,

Plaintiffs,

-against-

THE VANGUARD GROUP, INC. GEORGE U. SAUTER,
DUANE F. KELLY, JOHN J. BRENNAN, CHARLES D.
ELLIS, RAJIV L. GUPTA, AMY GUTMANN, JOANN
HEFFERNAN HEISEN, ANDRE F. PEROLD, ALFRED
M. RANKIN, JR., and J. LAWRENCE WILSON,
ACADIAN ASSET MANAGEMENT, LLC, RONALD D.
FRASHURE, JOHN R. CHISHOLM, BRIAN K.
WOLAHAN, ALLIANCEBERNSTEIN LP, HENRY S.
D'AURIA, SHARON E. FAY, KEVIN F. SIMMS,
MARATHON ASSET MANAGEMENT, LLP, WILLIAM
J. ARAH, JEREMY H. HOSKING, and NEIL M.
OSTRER,

Defendants,

-and-

VANGUARD INTERNATIONAL EQUITY INDEX
FUNDS, d/b/a VANGUARD EUROPEAN STOCK
INDEX FUND, and VANGUARD HORIZON FUNDS,
d/b/a VANGUARD GLOBAL EQUITY FUND,

Nominal Defendants.

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Case No. 08 CV 7650 (DLC)

**STIPULATION AND
~~PROPOSED~~ ORDER OF
VOLUNTARY DISMISSAL AS
TO ALLIANCEBERNSTEIN
DEFENDANTS**

Hon. Denise L. Cote

Pursuant to Fed. R. Civ. P. 41(a), and by agreement between counsel to
Defendants AllianceBernstein L.P., Henry S. D'Auria, Sharon E. Fay and Kevin F.
Simms (collectively the "AllianceBernstein Defendants") and counsel to Plaintiffs, the
undersigned stipulate that the AllianceBernstein Defendants be dismissed from this action
without prejudice based upon due consideration of the following:

1. The Verified Class Action and Derivative Complaint filed in this action asserted various class action and derivative claims against the AllianceBernstein Defendants under common law and 18 U.S.C. §1962. These claims were premised on alleged investments by the AllianceBernstein Defendants in certain “gambling businesses” while AllianceBernstein L.P. was acting as a subadvisor to certain mutual fund portfolios for which The Vanguard Group, Inc. is the registered investment advisor. (See, e.g., Complaint ¶¶ 1-9.)

2. Since the filing of the Complaint, the AllianceBernstein Defendants have provided an affirmation, and other evidence, to Plaintiffs’ counsel establishing that the AllianceBernstein Defendants did not invest or have any knowledge of any investments in the subject gambling businesses (which were Party Gaming PLC, Sportingbet PLC, BWin Interactive Entertainment AG, and NETeller PLC) for the Vanguard portfolios.

3. In addition, counsel to Defendant The Vanguard Group, Inc. has represented to Plaintiffs’ counsel that, based on a reasonable inquiry, he believes the statements made in the affirmation provided by AllianceBernstein to be true.

4. Under these circumstances, the undersigned parties agree that voluntary dismissal of the AllianceBernstein Defendants from this action is appropriate.

5. With respect to the putative class action claims asserted in this action, the notice and approval provisions of Fed. R. Civ. P. 23(e) do not apply because no class has been certified.

6. With respect to the derivative claims asserted in this action, Fed. R. Civ. P. 23(e) provides that a derivative action may be voluntarily dismissed subject to the Court's approval.

NOW, THEREFORE, IT IS HEREBY STIPULATED that the AllianceBernstein Defendants be dismissed as defendants from this action without prejudice and without cost to any party.

DATED: October 7, 2008

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*Attorneys for Defendants AllianceBernstein LP,
Henry S. D'Auria, Sharon E. Fay, and Kevin F.
Simms*

IT IS SO ORDERED.

Dated: 

October 14, 2008


Hon. Denise L. Cote
U.S. District Judge

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